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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT NO.
14-06-200-7859A

CONTRACT BETWEEN THE UNITED STATES OF AMERICA
AND MASON A. LOUNDY, TRUSTEE, PROVIDING FOR WATER SERVICE
AND FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

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1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
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5 CONTRACT BETWEEN THE UNITED STATES OF AMERICA
6 AND MASON A. LOUNDY, TRUSTEE, PROVIDING FOR WATER SERVICE
7 AND FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

8 THIS CONTRACT, made this 20th day of August, 1974,
9 in pursuance generally of the Act of June 17, 1902 (32 Stat. 388),
10 and acts amendatory or supplementary thereto, all collectively herein-
11 after referred to as the Federal reclamation laws, between THE UNITED
12 STATES OF AMERICA, hereinafter referred to as the United States, acting
13 through the Secretary of the Interior, and MASON A. LOUNDY, Trustee,
14 hereinafter referred to as the Contractor, acting pursuant to the laws
15 of the State of California,

16 WITNESSETH, That:

17 EXPLANATORY RECITALS

18 WHEREAS, the United States is constructing and operating the
19 Central Valley Project, California, for the purpose, among others, of
20 furnishing water for irrigation, and municipal, industrial, and domestic,
21 and other beneficial uses; and

22 WHEREAS, the United States has constructed the Delta-Mendota
23 Canal which will be operated and used, in part, for the furnishing of
water to the Contractor from Mendota Pool pursuant to the terms of
of this contract; and

Preamble
Explanatory Recitals . . .

1 WHEREAS, on March 15, 1967, a trust agreement was entered
2 into between Walter Goodman and Mason A. Loundy under which
3 Walter Goodman, trustee, for the purposes described in said agreement
4 conveyed, assigned, and transferred to Mason A. Loundy, as trustee,
5 or his successor in office, all of the right, title, and interest to
6 a certain parcel of real property described in Exhibit A attached to
7 the trust agreement and made a part thereof; and

8 WHEREAS, said agreement was recorded in the official records
9 of Fresno County on June 30, 1969, in Book 5699, beginning on page 763,
10 and the parcel of land concerned is shown on Map No. 214-228-3602,
11 identified as Exhibit A, attached hereto; and

12 WHEREAS, under said agreement, 1,920 acres of land of the
13 total acreage are eligible to receive a supplemental water supply and
14 the Contractor desires to contract pursuant to the Federal reclamation
15 laws and the laws of the State of California for the furnishing by the
16 United States of a supplemental water supply from the Central Valley
17 Project for the eligible area as described in Exhibit A; and

18 WHEREAS, investigations of the Contractor's lands indicate
19 that these lands are in need of additional water for irrigation and an
20 additional water supply to meet the needs of a portion of said lands
21 can be made available by and through the works constructed by the
22 United States; and

1 WHEREAS, the Contractor desires to contract, pursuant to
2 the Federal reclamation laws and the laws of the State of California,
3 for the furnishing by the United States of a supplemental water supply
4 from the Central Valley Project for which the Contractor will make
5 payment to the United States upon the basis, at the rate, and pursuant
6 to the conditions hereinafter set forth; and

7 WHEREAS, pursuant to Judgment and Stipulation therefor in
8 Case No. 2338-ND Civil, dated September 11, 1967, the riparian entitle-
9 ment for the lands described therein is 2,653 acre-feet per year in
10 specified monthly diversions; and

11 WHEREAS, said Judgment and Stipulation specifies that it
12 shall be binding on the heirs, devisees, grantees, agents, assigns,
13 and successors in interest of the parties thereto; and

14 WHEREAS, investigations of the streamflow in the Sacramento,
15 the Trinity, the American, and the San Joaquin Rivers and their tribu-
16 taries indicate that there will be available for furnishing to the
17 Contractor from Mendota Pool an additional supply of water for surface
18 diversion and direct application for irrigation; and

19 WHEREAS, the United States is willing to furnish water
20 service to the Contractor from Mendota Pool;

21 NOW, THEREFORE, in consideration of the covenants herein
22 contained, it is agreed as follows:

1 as frequently thereafter as conditions and information warrant, is
2 equal to or less than 3,200,000 acre-feet; or (2) the total accumula-
3 ted actual deficiencies below 4,000,000 acre-feet in the immediately
4 prior water year or series of successive prior water years, each of
5 which had inflows of less than 4,000,000 acre-feet, together with the
6 forecasted deficiency for the current water year, exceed 800,000 acre-
7 feet, the United States shall furnish to the Contractor 2,062 acre-feet
8 of Schedule 2 water at times and in quantities called for as provided
9 in subdivision (a) of Article 4 under the following basic table:

| 10 | <u>Month</u> | <u>Quantities (acre-feet)</u> |
|----|----------------------|-------------------------------|
| 11 | January | 0 |
| 12 | February | 46 |
| 13 | March | 226 |
| 14 | April | 347 |
| 15 | May | 470 |
| 16 | June | 557 |
| 17 | July | 361 |
| 18 | August | 55 |
| 19 | September - December | <u>0</u> |
| 20 | Total | 2,062 |

21
22

1 (c) For the purpose of making determinations under sub-
2 sections (1) and (2) of subdivision (b), the computed inflow to
3 Shasta Lake based on upstream development above Shasta Lake as of
4 September 1, 1963, shall be used as the full natural inflow to said
5 Lake. In the event that major construction occurs above Shasta Lake
6 which materially alters the regimen of the stream systems contribu-
7 ting to said Lake, the computed inflow as of that date will be
8 adjusted to include the effect of such material alterations. The United
9 States will select the forecast to be used and will submit the details
10 of the forecast to the Contractor. The same forecasts used by the
11 United States for the operation of the Project shall be used to make
12 the forecasts hereunder. Schedule 2 water made available by the
13 United States for furnishing to the Contractor in accordance with the
14 aforesaid schedule and not accepted by the Contractor shall be deemed
15 to have been accepted by the Contractor at the time and in the quanti-
16 ties specified in said schedule.

17 (d) Commencing with the year following that in which this
18 contract is executed and each year thereafter during the remainder of
19 the term of this contract, the United States shall furnish to the
20 Contractor and the Contractor shall accept and pay for 5,200 acre-feet
21 of supplemental water from Mendota Pool at the times and in the quanti-
22 ties specified in the schedule submitted by the Contractor in accordance

1 with subdivision (a) of Article 4: Provided, That the parties hereto
2 may at any time or times by agreement decrease the quantity of supple-
3 mental water required thereafter to be furnished each year to the
4 Contractor by the United States during the remainder of the term of
5 this contract.

6 (e) To the extent that additional Project water is available,
7 as determined by the Contracting Officer and, in the event the Contractor
8 in any year requires a quantity of supplemental water in addition to
9 that he is obligated to accept and pay for, such additional water
10 shall be furnished by the United States in accordance with a schedule
11 revision submitted pursuant to Article 4. The furnishing by the United
12 States and acceptance by the Contractor of such additional water shall
13 neither entitle nor obligate the Contractor to receive such quantities
14 in subsequent years.

15 (f) If in any year after the Contracting Officer has approved
16 a schedule or any revision thereof submitted by the Contractor pursuant
17 to Article 4 the United States is unable to furnish any portion of
18 supplemental water in the quantities and at the times requested in the
19 schedule and the Contractor does not elect to receive and does not
20 receive such water at other times during such year, the Contractor
21 shall be entitled to an adjustment as provided in Article 6.

22

1 (b) With the written consent of the Contracting Officer the
2 Contractor may exchange supplemental water in any year with any other
3 contractor contracting with the United States for Project water for
4 irrigation from Delta-Mendota Canal or Mendota Pool, or both. No supple-
5 mental water shall be sold or otherwise disposed of for use outside the
6 lands shown on Exhibit A without written consent of the Contracting Officer.

7 RATE AND METHOD OF PAYMENT FOR WATER

8 5. (a) The rate to be paid by the Contractor for supplemental water
9 made available by the United States pursuant to this contract shall be as
10 follows:

11 (1) For the period commencing with the effective
12 date of this contract and continuing through December 31, 1995,
13 the rate shall be the greater of either \$3.50 per acre-foot or
14 a larger amount sufficient to produce revenue to recover the
15 Contractor's proportionate share of the cost of operating and
16 maintaining the Project facilities, consisting of the intake
17 channel to the Tracy Pumping Plant, the Tracy Pumping Plant,
18 the Delta-Mendota Canal, Mendota Pool, and related facilities,
19 as determined by the Contracting Officer to be necessary to
20 make water available from the Sacramento-San Joaquin Delta to
21 the Contractor, regarding which the Contractor will be notified
22 by November 1 prior to the year for which the increased rate
23 will apply.

1 (2) Commencing with the year 1996, the rate shall be
2 determined by the Contracting Officer in accordance with the then
3 applicable agricultural water rate policy for the Delta-Mendota
4 Canal.

5 (b) The Contractor shall make payment to the United States
6 each year at the rate fixed, as provided in (a) of this article, for the
7 quantity of supplemental water which the Contractor is required to accept
8 and pay for during such year pursuant to the provisions of Article 3.
9 Prior to the delivery of supplemental water but not later than February 15
10 the Contractor shall pay 1/2 of the amount payable for said water scheduled
11 for the year and shall pay the balance due at the time the quantity of
12 supplemental water furnished to the Contractor equals the quantity for
13 which payment has been made, but in no event later than July 1. Supple-
14 mental water requested by the Contractor and available for furnishing by
15 the United States in excess of the quantity to be furnished pursuant to
16 this contract shall be paid for in full by the Contractor at the time or
17 times such requests are made.

18 (c) In the event the Contractor is unable, fails, or refuses
19 to accept delivery of the quantities of water available for delivery
20 pursuant to this contract or in the event the Contractor in any year fails
21 to submit a schedule for delivery as provided in subdivision (a) of
22 Article 4, said inability, failure, or refusal shall not relieve the Con-
23 tractor of his obligation to pay for the supplemental water committed in

1 accordance with subdivision (d) of Article 3 and the Contractor agrees
2 to make payment therefor in the same manner as if said water has been
3 delivered and accepted in accordance with this contract.

4 ADJUSTMENTS

5 6. The amount of any overpayment by the Contractor by reason of
6 the quantity of supplemental water actually available for the Con-
7 tractor during any year, as conclusively determined by the Contracting
8 Officer, having been less than the quantity which the Contractor other-
9 wise under the provisions of this contract would have been required to
10 receive and pay for shall be applied first to any accrued indebtedness
11 arising out of this contract then due and owing to the United States by
12 the Contractor and any amount of such overpayment then remaining at the
13 option of the Contractor shall be refunded or credited upon amounts to
14 become due to the United States from the Contractor under the provisions
15 hereof in the ensuing year.

16 POINTS OF DELIVERY, MEASUREMENT,
17 AND RESPONSIBILITY
FOR DISTRIBUTION OF WATER--RETURN FLOW

18 7. (a) The water to be furnished to the Contractor pursuant to
19 this contract shall be delivered from Mendota Pool at diversion points
20 agreed upon by the Contracting Officer and the Contractor.

21 (b) All water furnished pursuant to this contract shall be
22 measured by the United States at the points of delivery established
23 pursuant to subdivision (a) of this article with equipment installed,

1 operated, and maintained by the United States. Upon request of the
2 Contractor the accuracy of such measurements shall be investigated by
3 the Contracting Officer and any errors appearing therein adjusted.

4 (c) The United States shall not be responsible for the
5 control, carriage, handling, use, disposal, or distribution of water
6 beyond the delivery points established pursuant to subdivision (a) of
7 this article, nor for claim of damage of any nature whatsoever, including
8 but not limited to property damage, personal injury or death, arising out
9 of or connected with the control, carriage, handling, use, disposal, or
10 distribution of such water beyond such delivery points.

11 (d) The United States may temporarily discontinue or reduce
12 the quantity of water to be furnished to the Contractor as herein pro-
13 vided for the purpose of such investigation, inspection, maintenance,
14 repair, or replacement as may be reasonably necessary of any of the
15 Project facilities used for the furnishing of water to the Contractor or
16 any part thereof, but so far as feasible the United States shall give the
17 Contractor due notice in advance of such temporary discontinuance or
18 reduction, except in case of emergency, in which case no notice need be
19 given. In the event of any such discontinuance or reduction, upon the
20 resumption of service to the extent it may be possible to do so and
21 within the ability of the Contractor to accept the same, the United States
22 shall deliver the quantity of water which would have been furnished to the
23 Contractor in the absence of such contingency.

1 (e) The United States reserves the right to the use of all
2 waste, seepage, and return flow water derived from supplemental water
3 furnished to the Contractor hereunder which escapes or is discharged
4 beyond the Contractor's property and nothing herein shall be construed
5 as an abandonment or a relinquishment by the United States of any such
6 water, but this shall not be construed as claiming for the United States
7 any right, as waste, seepage, or return flow, to supplemental water being
8 used pursuant to this contract for surface irrigation or underground
9 storage within the lands shown on Exhibit A by the Contractor.

10 UNITED STATES NOT LIABLE FOR SUPPLEMENTAL WATER SHORTAGE--APPORTIONMENT

11 8. (a) There may occur at times a shortage in the quantity of
12 supplemental water available for furnishing to the Contractor through
13 and by means of the Project, but in no event shall any liability accrue
14 against the United States or any of its officers, agents, or employees
15 for any damage, direct or indirect, arising from a shortage on account
16 of errors in operation, drought, or any other causes.

17 (b) Supplemental water delivered hereunder and determinations
18 made by the Contracting Officer of the Project supply available to meet
19 delivery commitments are subject to commitments made by the United States
20 under water rights settlement contracts.

21 (c) In any year in which a shortage may occur the United
22 States reserves the right to apportion the available water supply among

1 the Contractor and others entitled under the then existing long-
2 term contracts to receive water from the Delta-Mendota Canal in the
3 following manner:

4 (1) A determination shall be made of the total
5 quantity of water scheduled to be delivered during the
6 respective year under all contracts then in force for the
7 delivery of water from the Delta-Mendota Canal, the quantity
8 so determined being herein referred to as the contractual
9 commitments from the Delta-Mendota Canal.

10 (2) A determination shall be made of the total quan-
11 tity of water from the Delta-Mendota Canal which is in excess
12 of the quantity necessary to meet the requirements of water
13 rights settlement contracts and which is available for meeting
14 the contractual commitments, the quantity so determined being
15 herein referred to as the available supply from the Delta-Mendota
16 Canal.

17 (3) The total quantity of supplemental water to be
18 delivered to the Contractor from the Delta-Mendota Canal during
19 the respective year under Article 3 shall be divided by the
20 contractual commitments, the quotient thus obtained being herein
21 referred to as the Contractor's contractual entitlement from the
22 Delta-Mendota Canal.

1 (4) The available supply shall be multiplied by the
2 Contractor's contractual entitlement and the result shall be the
3 quantity of supplemental water required to be delivered by the
4 United States to the Contractor for the respective year from the
5 Delta-Mendota Canal.

6 Insofar as determined by the Contracting Officer to be practicable, if
7 a shortage appears probable the Contracting Officer shall notify the
8 Contractor of such determination in advance of the irrigation season.

9 USE OF WATER FURNISHED TO CONTRACTOR

10 9. Except upon the written consent of the Contracting Officer,
11 supplemental water furnished pursuant to this contract shall be used
by the Contractor for agricultural purposes only.

12 DRAINAGE FACILITIES

13 10. The Contractor agrees to construct drainage facilities if and
14 when such facilities are required to protect the irrigability of the
15 lands receiving water pursuant to this contract.
16

17 WATER RIGHTS SETTLEMENT

18 11. The Contractor, the beneficiaries of the trust agreement of
19 March 15, 1967, and the heirs, or assigns of each of them shall not
20 divert, dispose of, or otherwise use water from Mendota Pool under any
21 claim of right to San Joaquin River water so long as the United States
22 delivers or is ready, able, and willing to deliver Schedule 2 water

1 to the Contractor in accordance with the terms of this contract.
2 Performance by the United States of its obligations hereunder with
3 respect to the delivery of Schedule 2 water shall release the United
4 States from liability with respect to such claims. This obligation
5 shall continue regardless of the term of contract specified in
6 Article 2 hereof.

7 ACCESS TO FRESNO SLOUGH

8 12. To the extent the Contractor has the power to grant such
9 use, the United States, its employees, and its agents may use the
10 roads within the Contractor's lands as such roads may exist from
11 time to time for ingress and egress to and from Fresno Slough.

WATER TO BE FURNISHED TO DESIGNATED LANDS

13 13. Schedule 2 water and supplemental water to be furnished
14 hereunder shall be used by the Contractor only on the eligible lands
15 designated on Exhibit A. While this contract is in effect any
16 redesignation of said lands shall be subject to review and written
17 prior consent by the Contracting Officer. In event of a redesigna-
18 tion, as provided in this article, a revised Exhibit A shall be
19 furnished to the Contracting Officer containing the approved change
20 in designated lands.

21 WATER ACQUIRED BY CONTRACTOR OTHER THAN FROM THE UNITED STATES

22 14. (a) The provisions of this contract shall not apply to
23 water now owned or hereafter acquired other than from the

1 United States and Schedule 2 and supplemental water furnished pursuant
2 to this contract may be transported through distribution facilities
3 of the Contractor other than those constructed by the United States
4 if the Contracting Officer determines that such mingling is necessary
5 to avoid a duplication of facilities. Notwithstanding such mingling,
6 the provisions of this contract shall apply only to the quantity of
7 water furnished to the Contractor pursuant to the terms hereof and
8 the quantity of water acquired by or available to the Contractor
9 other than from the United States shall not in any manner be subject
10 to the provisions of this contract.

11 (b) With respect to the distribution works or portions
12 thereof in which mingling is permitted as provided in subdivision (a)
13 hereof, the Contractor:

14 (1) Will be responsible for the operation and mainte-
15 nance of separate outlets from the distribution system for
16 eligible and ineligible lands. At the request of the Contracting
17 Officer, the Contractor will be responsible for the installation,
18 operation, and maintenance of water measuring equipment at
19 delivery points for the furnishing of water to ineligible lands
20 and, further, will be responsible for the installation, opera-
21 tion, and maintenance of similar equipment for measuring the water
22 available to the Contractor other than pursuant to this contract,
23 and the Contracting Officer may check and inspect said equipment
24 at any time; and

1 (2) Agrees that the quantity of all water furnished to
2 the Contractor pursuant to this contract during each 24-hour
3 period will be delivered only to eligible lands through the
4 aforesaid outlets. The Contractor shall be deemed to be in
5 breach of this contract if at any time there is furnished to
6 any ineligible lands served by the distribution works or portions
7 thereof in which mingling is permitted a quantity of water which
8 is greater than that which the Contractor has introduced into
9 said system from the supply available other than pursuant to
10 this contract.

11 RULES, REGULATIONS, AND DETERMINATIONS

12 15. (a) The Contracting Officer shall have the right to make,
13 after an opportunity has been offered to the Contractor for consulta-
14 tion, rules and regulations consistent with the provisions of this
15 contract, the laws of the United States and the State of California,
16 to add to or to modify them as may be deemed proper and necessary to
17 carry out this contract, and to supply necessary details of its
18 administration which are not covered by express provisions of this
19 contract. The Contractor shall observe such rules and regulations.

20 (b) Where the terms of this contract provide for action to
21 be based upon the opinion or determination of either party to this
22 contract, whether or not stated to be conclusive, said terms shall

1 not be construed as permitting such action to be predicated upon
2 arbitrary, capricious, or unreasonable opinions or determinations.
3 In the event that the Contractor questions any factual determination
4 made by the Contracting Officer, the findings as to the facts shall be
5 made by the Secretary only after consultation with the Contractor and
6 shall be conclusive upon the parties.

7 BENEFITS CONDITIONED UPON PAYMENT

8 16. The payment of charges becoming due hereunder is a condi-
9 tion precedent to receiving benefits under this contract. No water
10 will be made available to the Contractor through Project facilities
11 during any period in which the Contractor may be in arrears in the
advance payment of any water rate charges due the United States.

13 PENALTY FOR DELINQUENT CHARGES

14 17. The Contractor shall pay a penalty on installments or charges
15 which become delinquent computed at the rate of 1% per month of the
16 amount of such delinquent installments or charges for each day from
17 such delinquency until paid: Provided, That no penalty shall be
18 charged to the Contractor unless such delinquency continues for more
19 than 30 days in which event the penalty shall accrue from the initial
20 date of delinquency.

21
22

1 (2) Monthly: The quality of water shall not exceed a
2 mean monthly value of 600 parts per million of total dissolved
3 solids. The mean monthly value is to be computed by weighting
4 each mean daily value of total dissolved solids on the basis of
5 the quantity of water delivered each day of the month.

6 (3) Annual: The quality of water shall not exceed a
7 mean annual value during the year of 450 parts per million of
8 total dissolved solids. The mean annual value is to be computed
9 by weighting each mean daily value of total dissolved solids on
10 the basis of quantity of water delivered each day of the year.

11 (4) 5-Year: The average quality of water for any 5
12 consecutive years shall not exceed a mean value of 400 parts per
13 million of total dissolved solids. The 5-year average shall be
14 computed by weighting each mean daily value of total dissolved
15 solids on the basis of quantity of water delivered each day of
16 the 5 consecutive years ending with the last year of the period.

17 (b) The quality of water from the San Joaquin River shall be
18 determined at the present location of the Whitehouse gaging station
19 and from Delta-Mendota Canal shall be measured by a salinity recorder
20 as presently installed in said Canal. The quality determination made
21 at said gaging station and the rating of said recorder shall be from
22 bottle samples taken twice each month from which total dissolved solids

1 will be determined by chemical analysis. When water is being delivered
2 from Delta-Mendota Canal and from the San Joaquin River simultaneously,
3 the quality of all water so delivered shall be determined by computing
4 the weighted average quality of all water so delivered. All quality
5 determinations shall be made by the Contracting Officer.

6 WATER AND AIR POLLUTION CONTROL

7 19. The Contractor shall, within its legal authority, comply
8 fully with all applicable Federal laws, orders, and regulations, and
9 the laws of the State of California, all as administered by appropriate
10 authorities, concerning the pollution of streams, reservoirs, ground-
11 water, or water courses with respect to thermal pollution or the
12 discharge of refuse, garbage, sewage effluent, industrial waste, oil,
13 mine tailings, mineral salts or other pollutants, and concerning the
14 pollution of the air with respect to radioactive materials or other
15 pollutants.

16 EQUAL OPPORTUNITY

17 20. During the performance of this contract, the Contractor agrees
18 as follows:

19 (a) The Contractor will not discriminate against any
20 employee or applicant for employment because of race, color,
21 religion, sex, or national origin. The Contractor will take
22 affirmative action to ensure that applicants are employed, and

1 that employees are treated during employment, without regard
2 to their race, color, religion, sex, or national origin. Such
3 action shall include, but not be limited to, the following:
4 Employment, upgrading, demotion, or transfer; recruitment or
5 recruitment advertising; layoff or termination; rates of pay or
6 other forms of compensation; and selection for training, includ-
7 ing apprenticeship. The Contractor agrees to post in conspicuous
8 places, available to employees and applicants for employment,
9 notices to be provided by the Contracting Officer setting forth
10 the provisions of this Equal Opportunity clause.

11 (b) The Contractor will, in all solicitations or advertise-
12 ments for employees placed by or on behalf of the Contractor,
13 state that all qualified applicants will receive consideration
14 for employment without regard to race, color, religion, sex, or
15 national origin.

16 (c) The Contractor will send to each labor union or repre-
17 sentative of workers with which it has a collective bargaining
18 agreement or other contract or understanding, a notice, to be
19 provided by the Contracting Officer, advising the labor union or
20 workers' representative of the Contractor's commitments under
21 this Equal Opportunity clause, and shall post copies of the notice
22 in conspicuous places available to employees and applicants for
23 employment.

1 (d) The Contractor will comply with all provisions of
2 Executive Order No. 11246 of September 24, 1965, as amended,
3 and of the rules, regulations, and relevant orders of the
4 Secretary of Labor.

5 (e) The Contractor will furnish all information and reports
6 required by said amended Executive Order and by the rules,
7 regulations, and orders of the Secretary of Labor, or pursuant
8 thereto, and will permit access to its books, records, and
9 accounts by the Contracting Officer and the Secretary of Labor
10 for purposes of investigation to ascertain compliance with such
11 rules, regulations, and orders.

12 (f) In the event of the Contractor's noncompliance with
13 the Equal Opportunity clause of this contract or with any of
14 the said rules, regulations, or orders, this contract may be
15 canceled, terminated, or suspended, in whole or in part, and
16 the Contractor may be declared ineligible for further Government
17 contracts in accordance with procedures authorized in said
18 amended Executive Order, and such other sanctions may be imposed
19 and remedies invoked as provided in said Executive Order, or by
20 rule, regulation, or order of the Secretary of Labor, or as
21 otherwise provided by law.

22

1 (g) The Contractor will include the provisions of para-
2 graph (a) through (g) in every subcontract or purchase order
3 unless exempted by rules, regulations, or orders of the Secretary
4 of Labor issued pursuant to Section 204 of said amended Executive
5 Order, so that such provisions will be binding upon each sub-
6 contractor or vendor. The Contractor will take such action
7 with respect to any subcontract or purchase order as the
8 Contracting Officer may direct as a means of enforcing such
9 provisions, including sanctions for noncompliance: Provided,
10 however, That in the event the Contractor becomes involved in,
11 or is threatened with, litigation with a subcontractor or vendor
as a result of such direction by the Contracting Officer, the
13 Contractor may request the United States to enter into such
14 litigation to protect the interests of the United States.

15 TITLE VI, CIVIL RIGHTS ACT OF 1964

16 21. (a) The Contractor agrees that it will comply with Title VI
17 of the Civil Rights Act of July 2, 1964 (78 Stat. 241) and all require-
18 ments imposed by or pursuant to the Department of the Interior Regula-
19 tion (43 CFR 17) issued pursuant to that title, to the end that, in
20 accordance with Title VI of that Act and the Regulation, no person in
21 the United States shall, on the ground of race, color, or national
22 origin be excluded from participation in, be denied the benefits of,

1 or be otherwise subjected to discrimination under any program or
2 activity for which the Contractor receives financial assistance from
3 the United States and hereby gives assurance that it will immediately
4 take any measures to effectuate this agreement.

5 (b) If any real property or structure thereon is provided
6 or improved with the aid of Federal financial assistance extended to
7 the Contractor by the United States, this assurance obligates the
8 Contractor or, in the case of any transfer of such property, any
9 transferee for the period during which the real property or structure
10 is used for a purpose involving the provision of similar services or
11 benefits. If any personal property is so provided, this assurance
12 obligates the Contractor for the period during which it retains owner-
13 ship or possession of the property. In all other cases, this assurance
14 obligates the Contractor for the period during which the Federal
15 financial assistance is extended to it by the United States.

16 (c) This assurance is given in consideration of and for the
17 purpose of obtaining any and all Federal grants, loans, contracts,
18 property, discounts, or other Federal financial assistance extended
19 after the date hereof to the Contractor by the United States, includ-
20 ing installment payments after such date on account of arrangements
21 for Federal financial assistance which were approved before such date.
22 The Contractor recognizes and agrees that such Federal financial

1 assistance will be extended in reliance on the representations and
2 agreements made in this assurance, and that the United States shall
3 reserve the right to seek judicial enforcement of this assurance.
4 This assurance is binding on the Contractor, its successors, trans-
5 ferees, and assignees.

6 BOOKS, RECORDS, AND REPORTS

7 22. The Contractor shall establish and maintain accounts and
8 other books and records pertaining to its financial transactions, land
9 use and crop census, water supply, water use, and to other matters as
10 the Contracting Officer may require. Reports thereon shall be furnished
11 to the Contracting Officer in such form and on such date or dates as
12 he may require. Subject to applicable Federal laws and regulations,
13 each party shall have the right during office hours to examine and
14 make copies of each other's books and records relating to matters
15 covered by this contract.

16 NOTICES

17 23. Any notice, demand, or request authorized or required by
18 this contract shall be deemed to have been given when mailed, postage
19 prepaid, or delivered to the Regional Director, Mid-Pacific Region,
20 Bureau of Reclamation, 2800 Cottage Way, Sacramento, California 95825, on
21 behalf of the United States and to Mason A. Loundy, Trustee, Goodman
22 Trust, 6445 North Western, Chicago, Illinois 60645, on behalf of the
23 Contractor. The designation of the addressee or the address may be
24 changed by notice given in the same manner as provided in this
article for other notices.

1 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

2 24. The provisions of this contract shall apply to and bind
3 the successors and assigns of the parties hereto, but no assignment
4 or transfer of this contract or any part or interest therein shall be
5 valid until approved by the Contracting Officer.

6 OFFICIALS NOT TO BENEFIT

7 25. No Member of or Delegate to Congress or Resident Commissioner
8 shall be admitted to any share or part of this contract or to any
9 benefit that may arise herefrom, but this restriction shall not be
10 construed to extend to this contract if made with a corporation or
11 company for its general benefit.

12 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

13 26. The expenditure or advance of any money or the performance
14 of any work by the United States hereunder which may require appropria-
15 tion of money by the Congress or the allotment of funds shall be
16 contingent upon such appropriation or allotment being made. The
17 failure of the Congress to appropriate funds or the absence of any
18 allotment of funds shall not relieve the Contractor from any obliga-
19 tions under this contract. No liability shall accrue to the United
20 States in case such funds are not appropriated or allotted.

21

22

1 IN WITNESS WHEREOF, the parties hereto have executed this
2 contract the day and year first above written.

3 APPROVED AS TO LEGAL
4 FORM AND SUFFICIENCY
5 *Rita Singer*
6 ASSISTANT REGIONAL SUPERVISOR
7 DEPARTMENT OF RECLAMATION

THE UNITED STATES OF AMERICA

By *Robert Hammond*
Acting Regional Director, Mid-Pacific Region
Bureau of Reclamation

CONTRACTOR
Mason A. Loundy Trustee
Mason A. Loundy, Trustee

8 ACKNOWLEDGMENT

9 STATE OF *Illinois*)
10 COUNTY OF *Cook*) ss.

11 On *4/13/73*, 19 , before me, *Nancy P. Agolaki*
12 _____ (Notary Public), personally appeared

13 *Mason A. Loundy*, the person whose name is subscribed
14 to the within instrument and acknowledged that he executed the same.

15 IN WITNESS WHEREOF, I have hereunto set my hand and affixed
16 my official seal the day and year in this acknowledgment first
17 above written.

Nancy P. Agolaki
Notary Public

My commission expires:
3/25/75
(Exhibit A attached, next page)

T. 14 S.

N

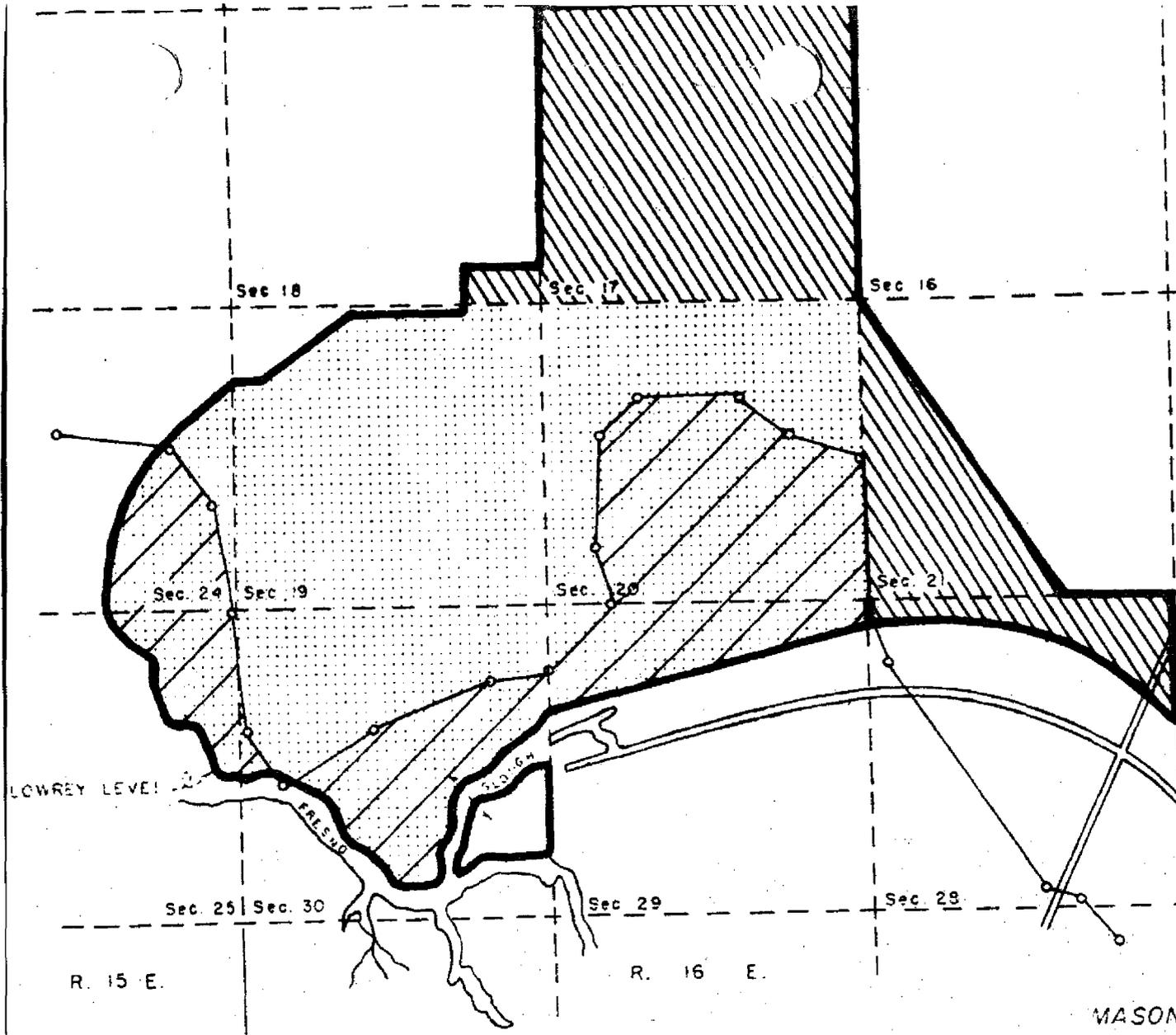


EXPLANATION

-  RIPARIAN LANDS
-  LANDS UNDER TRUST AGREEMENT OF MARCH 15, 1967
-  LANDS ELIGIBLE TO RECEIVE SCHEDULE 2 SUPPLEMENTAL WATER
-  LANDS INLEGIBLE TO RECEIVE SCHEDULE 2 SUPPLEMENTAL WATER

EXHIBIT A

MASON A. LOUNDY, TRUSTEE
FOR WALTER GOODMAN, ET AL



Scale: 2" = 1 Mile

10-20-71 (C-15-71)

214-228-3602